

## Determinants of Tourists' Satisfaction: The Case of DOT Accredited Accommodation Establishments in the Province of Capiz, Philippines

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### ABSTRACT

This study used causal comparative design to determine the determinant effect of customer perception and customer expectation on customer satisfaction given the customer experience of the quality of services of DOT accredited accommodation establishments in the Province of Capiz. The results show that the tourists' overall satisfaction using the expectations and experience gap score is less than zero (-0.0357) which means they are dissatisfied. However, their overall satisfaction using perceptions and experience gap score is greater than zero (0.0026) which means they are satisfied. The overall net satisfaction was dissatisfied (mean difference=-0.0383). Specifically, they are only satisfied in one of the five dimensions and that is empathy (mean difference = 0.037), that is they are satisfied with the establishment 24-hour operation, providing them personal attention, considering their best interests at heart, and understanding your special needs. This also means that the accommodation establishments should work more on their assurance, responsiveness, tangibility, and responsiveness.

*Keywords: Determinants, Customer Satisfaction, Expectation, Perception, Experience.*

## INTRODUCTION

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### ***Background of the Study***

The recent development in the tourism industry during the last couple of decades has attracted the attention of various sectors and spur initiatives that hasten market competition. For one, the technological advancement provided the opportunity for tourists to know more about tourist destinations including available accommodations and amenities prior to making a purchase decision. This development has prompted the importance of the pre-purchase attributes of a product or service in understanding customer satisfaction and in developing competitive advantage (Mill, 2018).

Which factors influence customer satisfaction, which variables change customer satisfaction in which ways, how these variables can be managed, for which segments and which activities can be designed are the main questions that marketing managers usually consider. However, a review of literature shows that there is no universally accepted measure of customer satisfaction.

One ongoing debate in consumer satisfaction circles is the extent to which it is affected by cognitive (perception) process or by an emotional (expectation) state (Mill, 2018). In early years, Howard and

Sheth (1969) define satisfaction as the buyer's cognitive state (perception) of being adequately or inadequately rewarded for the sacrifice he has undergone. Engel and Blackwood (1982) see it as an evaluation that the chosen alternative is consistent with beliefs (expectation) with respect to that alternative. Oh, and Parks (1997) said that it is probably a complex human process involving extensive cognitive, affective, and other undiscovered psychological and physiological dynamics.

Recent development in assessing customer satisfaction is the understanding of the state of customer behavior prior to purchase decision and consummation of service and after that. Knowing what customers expect and how they perceive the services being offered by establishments are believed to be the important concepts to understanding customer satisfaction. Many researchers said that these behaviors should be considered in the assessment of satisfaction considering that today, customers have the chance to experience the service through sensing (word of mouth, advertisement, virtual tour of the place, chat, messages, and other social media means) prior to making a purchase decision. This has

led to assessment models in measuring customer satisfaction that include customer behavior at the pre, during, and post purchase stage.

The Expectancy-Disconfirmation Paradigm (EDP) developed by Oliver (1977), received the widest acceptance among researchers which generally imply conscious comparison between a cognitive state prior to an event (expectation) and a subsequent cognitive state (perception), usually realized after the event is experienced (Oliver, 1980). Comparing the customer's expectation with experience (expectation-experience gap) and perception with experience (perception-experience gap) and determining the resultant difference between these two dimensions would result in the overall net customer satisfaction.

Truong & Foster (2015) suggested that to measure tourist satisfaction, a tourist's experience at the destination visited and the expectations about the destination could be compared. This is also consistent with the ways Revfine.com, an acknowledge knowledge platform for the global hospitality and travel industry, measures tourist satisfaction - how tourism products and services supplied by a provider of the tourism system meet or surpass expectation of tourist (<https://www.revfine.com/tourism-industry/>). The gap between the two

variables decides whether the customer is satisfied or dissatisfied. This gap is known as Customer Gap in the earlier studies of Parasuraman, et al., (1985) and TTI Global Research (<https://www.tti-global-research.co.uk/customer-expectation-customer-perception-gap-analysis-pzb>).

The EDP is gaining wide acceptance in measuring customer satisfaction processes especially where customers are given the chance to virtually experience the service prior to making a purchase decision. This process of sensing the service allows the customer to develop an expectation of the service and the process is completed when customers compare the actual service performance with their pre-experience standard or expectation (Beardon & Teel 1993, Cardozo 1965, Day 1977, Oliver 1980).

Indeed, there is a need to look at the effect of customer expectation and perception on customer satisfaction of accommodation services given their experience of the service to enable the hotel managers better understand which of these two variables, measured before the purchase decision, has better effect on customer satisfaction so that better strategies may be developed to enhance their market competitiveness. In a related study, the findings show high

sustainable tourism adherence and awareness on current coastal issues and concerns (Hernandez, et al., 2021). As Cornella (2015) and Marinao (2017) pointed out, the key motivation for the growing emphasis on customer satisfaction is that high customer satisfaction led to a stronger competitive position resulting in higher market share and profit. Customer satisfaction is also generally assumed to be a significant determinant of repeat sales, positive word-of-mouth, and customer loyalty since satisfied customers return and buy more, and they tell other people about their experiences (Fornell, et al., 2006).

It is with these assumptions on customer perception and expectation, at the pre and post purchase stage that have led to the following questions: Which of the two variables when measured against customer experience is a better determinant of customer satisfaction? Results of this study may provide empirical evidence on the academic debate as to the determinant effect of perception and expectation on overall consumer satisfaction and could inform the development of a strategic framework to improve the quality of service of the accommodation facilities in the Province of Capiz that will eventually increase the tourist satisfaction and

improve market competitiveness.

### ***Objectives of the Study***

1. determine the tourists' level of perceptions of the service quality of accommodation establishments in terms of the following dimensions: assurance, responsiveness, tangibility, empathy, and reliability;
2. determine the tourists' level of expectations of the service quality of accommodation establishments in terms of the following dimensions: assurance, responsiveness, tangibility, empathy, and reliability;
3. determine the tourists' level of experience of the service quality of accommodation establishments in terms of the following dimensions: assurance, responsiveness, tangibility, empathy, and reliability;
4. determine the tourists' level of satisfaction using expectation - experience gap score of the quality of services of accommodation establishments;
5. determine the tourist level of satisfaction using perception - experience gap score of these services of accommodation establishments;
6. Determine the tourists' overall net satisfaction score using the expectation – perception gap scores; and,
7. Determine which of the two independent variables – tourists' expectation or tourists' perception, is a better determinant of tourists' satisfaction.

### ***Theoretical Framework of the Study***

The Expectancy-Disconfirmation Paradigm developed by Oliver in 1977 was the framework employed in this study to determine customer satisfaction of the quality of service of accommodation establishments especially in a rapidly growing competitive e-marketplace. The expectation or desire, experience, and perception are the variables defined in three distinct time periods, pre-purchase, during the experience, and post-purchase. The difference in the dimensions determines customer satisfaction.

### ***Scope and Limitation of the Study***

This study was conducted in March to September 2020 among 384

tourists, both domestic and foreign who availed of the services of ten (10) DOT accredited accommodation establishments in the Province of Capiz.

The study was limited only to tourists who availed of the services in the ten DOT accredited accommodation establishments during the time of the conduct of study in March to September 2020, the period when the first wave of COVID-19 pandemic hit the country and travel restriction were at its height that resulted to fewer foreign tourists in the province. This has limited the number of foreign tourist respondents who participated in the study. Results could have been more comprehensive with more foreign tourists respondents included in the study.

## **RESEARCH DESIGN AND METHODOLOGY**

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This study utilized a causal-comparative research design to determine the determinants of tourist satisfaction. The dimensions of tourist expectations, perceptions and experiences includes assurance, empathy, reliability, responsiveness, and tangibility which were all based on the SERQUAL model espoused by Parasuraman et al., (1988) since these dimensions are said to be most appropriately used in the tourism

service sector. Systematic sampling was used to select the respondents from those who availed of the services of the ten DOT accredited accommodation establishments, taking every 1<sup>st</sup> and 2<sup>nd</sup> tourist clients during the day. This process is repeated every day for one month until all 384 tourists are completed.

Mean scores of tourist perceptions, expectations, and experience were determined Then the

customer net satisfaction was determined using the formula: (Mean expectation minus mean experience) – (Mean perception minus mean experience) using the EDP Model by Oliver (1997). To determine whether significant differences exist between

the mean scores of the dimensions of expectation and perceptions, T-test was used. To determine which of the independent variables are significant determinants of customer satisfaction, Pearson's r correlation and linear regression was used.

## RESULTS AND DISCUSSION

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### ***Tourists Satisfaction of the Quality of Services of the Accommodation Establishments***

Table 1 shows the test results when the tourists' satisfaction was determined using the difference in the mean scores of perception and experience of the quality of service of the ten DOT accredited accommodation establishments. The data revealed that the difference in the mean scores of tourist perceptions and experience (perception-experience gap) was greater than zero (mean = 0.0026), which means that the tourist is satisfied with the overall services of accommodation establishments based on their perception and experience of the services. This finding suggests that there is enough evidence to reject the null hypothesis (H05) and accept the

alternative hypothesis (Ha5) that the tourists' mean score of satisfaction is greater than zero which means that the tourists are satisfied with the quality of service of the ten accommodation establishments.

Specifically, when each of the five domains were subjected to a test of differences, the data show that assurance (mean = 0.0052), empathy (mean = 0.0208) and reliability (mean = 0.0234) have results greater than zero. This means that tourists were satisfied with the services in these three dimensions. However, negative differences were observed in the mean scores of responsiveness (-0.0091), and tangibility (mean = -0.0072) which indicates that the tourists are dissatisfied with the said quality of services of the accommodation establishments.

**Table 1**

*Difference in the Mean Scores of Tourist Perception and Experience of the Quality of Service of Accommodation Establishments (N=384).*

<i>Indicators</i>	<i>Perception</i>		<i>Experience</i>		<i>Satisfaction</i>	<i>df</i>	<i>Interpretation</i>
	<i>Mean</i>	<i>SD</i>	<i>Mean</i>	<i>SD</i>	<i>Mean of Diff</i>		
Overall	3.587	0.3650	3.590	0.3523	0.0026	383	Satisfied
Assurance	3.681	0.4037	3.676	0.3987	0.0052	383	Satisfied
Responsiveness	3.617	0.4205	3.626	0.4381	-0.0091	383	Dissatisfied
Tangibility	3.531	0.4612	3.538	0.4387	-0.0072	383	Dissatisfied
Empathy	3.566	0.4530	3.545	0.4160	0.0208	383	Satisfied
Reliability	3.579	0.4082	3.556	0.4398	0.0234	383	Satisfied

***Tourists Satisfaction of the Quality of Services of the Accommodation Establishments***

Table 2 shows the test results when the tourists’ satisfaction was determined using the difference in the mean scores of expectation and experience of the quality of service of the ten DOT accredited accommodation establishments. The data revealed that the difference in the mean scores of tourist expectations and experience (expectation-experience gap) was less than zero (mean =-0.0357), which means that the tourists are not satisfied with the overall services of accommodation establishments. This finding suggests that there is not enough evidence to reject the null hypothesis (H06) that the tourists’ mean score of satisfaction

is not greater than zero, which means that the tourists are not satisfied with the quality of service of the ten accommodation establishments.

Specifically, when each of the five domains were subjected to test of differences, the data show that only empathy of the five domains has positive difference (mean=0.0245), while assurance (mean=-0.0579), responsiveness (mean=-0.612), tangibility (mean=-0.0072), and reliability (mean=-0.0357) have negative difference. This means that the tourists were satisfied only with the quality-of-service empathy but were dissatisfied with assurance, responsiveness, tangibility, and reliability.

**Table 2**

*Difference in the Mean Scores of Tourist Expectation and Experience of the Quality of Service of Accommodation Establishments (N=384).*

<i>Indicators</i>	<i>Expectation</i>		<i>Experience</i>		<i>Satisfaction</i> Mean of Diff	<i>df</i>	<i>Interpretation</i>
	<i>Mean</i>	<i>SD</i>	<i>Mean</i>	<i>SD</i>			
Overall	3.554	0.3709	3.590	0.3523	-0.0357	383	Dissatisfied
Assurance	3.618	0.4354	3.676	0.3987	-0.0579	383	Dissatisfied
Responsiveness	3.564	0.4424	3.626	0.4381	-0.6125	383	Dissatisfied
Tangibility	3.531	0.4612	3.538	0.4387	-0.0072	383	Dissatisfied
Empathy	3.569	0.4499	3.545	0.4160	0.0245	383	Satisfied
Reliability	3.520	0.4481	3.556	0.4398	-0.0357	383	Dissatisfied

The data in Table 3 shows that the tourists overall net satisfaction was dissatisfied (mean difference = -0.0383). Specifically, they are only satisfied in one of the five dimensions and that is empathy (mean difference = 0.037). This means that the tourists are only satisfied with the establishment's 24-hour operation,

providing them personal attention, considering their best interests at heart, and understanding your special needs. This also means that the accommodation establishments should work more on their assurance, responsiveness, tangibility, and responsiveness.

**Table 3**

*Overall Satisfaction of the Quality of Service of Accommodation Establishments (N=384).*

<i>Indicators</i>	<i>Mean of Satisfaction Expectation</i>	<i>Mean of Satisfaction Perception</i>	<i>Overall Net Satisfaction</i>	<i>Interpretation</i>
Overall	-0.0357	0.0026	-0.0383	Dissatisfied
Assurance	-0.0579	0.0052	-0.0631	Dissatisfied
Responsiveness	-0.6125	-0.0091	-0.6034	Dissatisfied
Tangibility	-0.0072	-0.0072	0.00	Dissatisfied
Empathy	0.0245	0.0208	0.0037	Satisfied
Reliability	-0.0357	0.0234	-0.0591	Dissatisfied



## CONCLUSION AND RECOMMENDATION

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### ***Conclusions***

The tourists' overall satisfaction mean score as the difference between the mean scores of their perceptions and experience is greater than zero (0.0026) which means they are satisfied. The tourists' overall satisfaction mean score as the difference between the mean scores of their expectations and experience is less than zero (-0.0357) which means they are dissatisfied. Perceived Assurance and Expected tangibility are the two determinants of tourist satisfaction.

### ***Recommendations***

The local tourism office must intensify their tourism operations and management program in the Province of Capiz. Province of Capiz in tourism operations and management programs as one of the most important stakeholders. The accommodation establishments in the Province of Capiz must coordinate with the Department of Tourism in giving proper training and updating of their employees and staff especially on the new trends in the industry. The accommodation establishment must take into

consideration the suggestions and recommendations of their valued clientele as well as the accrediting bodies like Department of Tourism especially if it will affect continuous improvement of their service quality.

The accommodation establishments shall also coordinate with the local tourism office or local government units to plan out for unique activities that will heighten the tourist experience during the duration of their stay in the Province. To increase overall tourist satisfaction, it also recommended to improve the operations and management of the accommodation establishments in the Province of Capiz. Furthermore, to make a significant change and improvement in the service quality a strategic framework shall be formulated. This strategic framework shall consider creating and inclusion of activities to strengthen tourist perception, expectation, and experience. On the operations and management side, strategic alliance with other members of the supply chain is also recommended as part of the activities.

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